

**STATE OF CALIFORNIA**  
**Budget Change Proposal - Cover Sheet**  
 DF-46 (REV 03/25)

<b>Fiscal Year</b> 2026-27	<b>Business Unit Number</b> 0509	<b>Department</b> Governor's Office of Business and Economic Development (GO-Biz)
<b>Hyperion Budget Request Name</b> 0509-046-BCP-2026-GB		<b>Relevant Program or Subprogram</b> 0220-GO-BIZ 0235-Infrastructure, Financing and Economic Development

**Budget Request Title**  
 Energy and Modernization Affordability (SB 254)

**Budget Request Summary**

The California Infrastructure and Economic Development Bank (IBank), under the Governor's Office of Business and Economic Development (GO-Biz), and the GO-Biz Energy Unit request \$322.5 million from Proposition 4 and 10 limited-term positions to: 1) support the California Transmission Accelerator Revolving Fund (CTARF); 2) further implement the requirements of Chapter 119, Statutes of 2025 (SB 254); and 3) manage incoming program fund program funds from Proposition 4 and Chapter 117, Statutes of 2025 (AB 1207) over five years to support public financing for qualified transmission projects. IBank and GO-Biz also request statutory changes to allow for implementation of the revolving fund.

<b>Requires Legislation (submit required legislation with the BCP)</b> <input checked="" type="checkbox"/> Trailer Bill Language <input checked="" type="checkbox"/> Budget Bill Language <input type="checkbox"/> N/A	<b>Code Section(s) to be Added/Amended/Repealed</b> Government Code Section 4216.1; Government Code Section 8557	
<b>Does this BCP contain information technology (IT) components?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	<b>Department CIO</b> Click or tap here to enter text.	<b>Date</b> 12/16/2025

**For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.**

**Project No.** Click or tap here to enter text.

**Approval Date:** Click or tap here to enter text.

**Project Approval Document:**

**Total Project Cost:** Click or tap here to enter text.

**If proposal affects another department, does other department concur with proposal?**  Yes  No

*Attach comments of affected department, signed and dated by the department director or designee.*

<b>Prepared By</b> Andy Nakahata & Rohimah Moly	<b>Date</b> 1/9/2026	<b>Reviewed By</b> Emily Desai	<b>Date</b> 1/9/2026
<b>Department Director</b> Dee Dee Myers	<b>Date</b> 1/9/2026	<b>Agency Secretary</b> Click or tap here to enter text.	<b>Date</b> Click or tap to enter a date.

**Department of Finance Use Only**

**Additional Review:**  Capital Outlay  ITCU  FSCU  OSAE  Dept. of Technology

<b>Principal Program Budget Analyst</b> Jessie Romine	<b>Date submitted to the Legislature</b> 1/9/2026
--	--

## A. Problem Statement

### Overview

Chapter 119, Statutes of 2025 (SB 254) includes various policies related to electrical transmission projects. Select provisions direct the California Infrastructure and Economic Development Bank (IBank) and the Governor's Office of Business & Economic Development (GO-Biz) Energy Unit to work together—and in coordination with other state agencies—to identify and finance eligible large electric transmission infrastructure projects.

According to statute, the Energy Unit is to coordinate with other agencies (i.e., California Public Utilities Commission (CPUC), California Energy Commission (CEC), Independent System Operator (CAISO), IBank, and other agencies) as well as external parties, as appropriate, to establish the Transmission Infrastructure Accelerator (TIA or accelerator). Together, these entities will develop a financing and development strategy for eligible transmission projects to receive financing. Once a project(s) has been identified, the TIA entities will take the necessary steps to accelerate the development and deployment of those projects to maximize ratepayer savings.

While IBank will work with the Energy Unit and other agencies on the accelerator, it is also the administrator of the financing mechanisms needed to fund the chosen transmission infrastructure projects. Once a project is approved by the accelerator, IBank is authorized to provide financial assistance either directly to eligible applicants or to a lending or financial institution via the California Transmission Accelerator Revolving Fund.

IBank and the Energy Unit will work in tandem and collaborate to implement the provisions of the measure. As such, this budget request encompasses the specific funding and staffing needs for each entity to fulfill its role as directed by the statute.

### **Background Summaries (IBank and GO-Biz Energy Unit)**

#### California Infrastructure and Economic Bank Background

IBank was created in 1994 to finance public infrastructure and private development that promote a healthy climate for jobs, contribute to a strong economy and improve the quality of life in California communities. IBank is a full-service green bank that has completed \$3.6 billion in climate-related financing over the last five years across a variety of programs and financial instruments. IBank operates pursuant to the Bergeson Peace Infrastructure and Economic Development Bank Act contained in California Government Code Sections 63000 et seq. It is located within the GO-Biz and is governed by a five-member Board of Directors consisting of the Director of GO-Biz, the State Treasurer, the Secretary of Transportation, the Director of the Department of Finance and a Governor's Appointee.

IBank is currently led by an Executive Director and Chief Credit Officer. IBank administers 10 programs and is staffed by a team of 37. Staff range in specialties from bond financing, loan origination, legal, small business finance, climate finance, venture capital, external affairs, loan servicing, accounting, compliance, and administrative services.

IBank has broad authority to provide a wide array of financing instruments, including issuing tax-exempt and taxable revenue bonds, providing direct financing to public agencies and certain tax-exempt nonprofit organizations that are sponsored by public agencies, providing credit enhancements (including guarantees), acquiring or leasing facilities, and leveraging State and Federal funds. IBank's current programs consist of the Infrastructure State Revolving Fund (ISRF) Program, the Bond Financing Program, the Climate Catalyst Revolving Loan Fund Program (Climate Catalyst), the Expanding Venture Capital Access Program, and the Small Business Finance Center's (SBFC) Programs, including the California Small Business Loan Guarantee (SBLG) Program, the Farm Loan Program, the Jump Start Loan Program, the Disaster Relief Loan

Guarantee Program, and the California Rebuilding Fund. IBank issues tax-exempt and taxable revenue bonds, loans under the Bond Financing Program, including direct revenue bonds for IBank, 501(c)(3) revenue bonds, industrial development revenue bonds, exempt facility revenue bonds, and public agency revenue bonds.

Because IBank does not have specialized staff working on transmission project financing, IBank requests 7 new positions to successfully implement the directives given in Chapter 119, Statutes of 2025 (SB 254).

### GO-Biz Energy Unit Background

California is a leader in innovation and new technologies that will be brought to market to combat climate change. The urgency of the climate crisis demands a significant increase in sustainable infrastructure expansion over the course of the next decade. The state requires dedicated capacity focused on advancing critical private-sector solutions to California's clean energy and climate challenges. The GO-Biz Energy Unit was formed in 2021 to help expedite critical energy projects and essential infrastructure.

The Energy Unit works with energy project developers, load-serving entities, and other stakeholders to identify barriers to construction and development of critical energy infrastructure projects. The Energy Unit is comprised of five authorized positions which include a Deputy Director, Assistant Deputy Director, and three Energy Analysts.

### **Analysis & Implementation**

#### IBank

In November 2024, voters approved Proposition 4, a \$10 billion bond measure focused on increasing the state's resilience to the impacts of climate change. Proposition 4 allocates \$850 million to Clean Energy, of which \$325 million is allocated for transmission development. Chapter 119, Statutes of 2025 (SB 254) establishes the California Transmission Accelerator Revolving Fund (CTARF) and allows IBank to leverage Proposition 4 funds under the CTARF to raise additional capital from the bond market.

In addition, to Proposition 4, Chapter 117, Statutes of 2025 (AB 1207) allocates 5 percent of revenue from electrical corporation consigned allowances to the California Transmission Accelerator Revolving Fund. With this capital and in coordination with GO-Biz's new Transmission Infrastructure Accelerator, IBank will finance a pipeline of transmission development projects beginning in FY 2026-27. Currently, CTARF is authorized until January 1, 2031. However, IBank will be responsible for managing the long-term loans over ten- to thirty-year periods even after the program expires.

As discussed in more detail below, the projected demand for transmission finance is estimated to be over \$8 billion. The collective funds from Proposition 4 and AB 1207, are insufficient to finance the entirety of the state's required transmission infrastructure. IBank is uniquely situated to raise additional funds in the bond market on the strength of a pooled portfolio of loans. To achieve this scale of financing and implement Proposition 4 funding, IBank will incur significant administrative costs relating to bond financing, including legal costs, municipal advisory, and technical assistance.

#### Energy Unit

Chapter 119, Statutes of 2025 (SB 254), requires the Energy Unit to establish the Transmission Infrastructure Accelerator (TIA) to identify and facilitate the development of financing opportunities for eligible transmission projects. Transmission projects that receive financing from the Revolving Fund administered by IBank may receive other support from TIA. Specific responsibilities of TIA include:

- Developing public-partnership financing and development strategy for eligible transmission projects in coordination with the CEC, CAISO, CPUC, and IBank with submission to the Legislature by July 2027;
- Coordinating the state's activities related to transmission planning and development to minimize duplication and drive efficiency;
- Evaluating projects deemed eligible for the CAISO competitively bid process and selecting projects eligible for financing via the Transmission Accelerator Revolving Loan Program at IBank;
- Ensuring projects meet specified criteria;
- Maintaining a list of interested qualified public entities interested in participating in eligible transmission projects; and
- Monitoring progress and providing support for accelerator projects through stakeholder engagement, permitting support, and other TED Task Force-like assistance.

### **Requested Resources**

#### Total

For 2026-27, IBank and GO-Biz request 10 limited-term positions supported by \$7.8 million CTARF, decreasing to \$4.5 million annually from 2027-28 through 2030-31. IBank and GO-Biz also request \$322.6 million Proposition 4 funds (Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Fund) to provide the initial capitalization for the CTARF program in 2026-27.

#### IBank

To administer CTARF and the Accelerator program, IBank requests 7 limited-term positions supported by \$3.6 million from the CTARF, through 2030-31.

#### Energy Unit

Concurrently, the Energy Unit requests 3 limited-term positions supported by \$4.2 million CTARF in 2026-27, decreasing to \$826,000 annually through 2030-31.

## **B. Justification**

### **California Transmission Accelerator Revolving Fund & IBank**

IBank is unable to fulfill the transmission financing workload resulting from SB 254 and AB 1207 with existing staff. IBank's current staff of 37 fulfills the various requirements of operating IBank's Bond Financing, Infrastructure State Revolving Fund (ISRF), Small Business Finance Center, Venture Capital Program, and Climate Financing Program, as well as its Executive functions, Legal, Loan Servicing, Compliance & Administrative, External Affairs, and Fiscal. Though IBank expects to structure the CTARF similarly to its ISRF program, CTARF creates a wholly new program with highly specialized technical, legal, regulatory, and financial requirements.

Transmission projects are typically financed with a mix of debt and equity. All else being equal, increasing the proportion of a lower-cost debt in a project's overall finances will lower the weighted average cost of capital. Therefore, using more affordable public finance to pay for some of the transmission capital expenditure will negate the need for investor-owned utilities (IOUs) to charge around 10 percent equity return on every dollar spent on transmission. This mitigates ratepayer impact since these costs are recoverable from the rate payer.

With the State of California rating being superior to most of the utility companies (see table below) with the exception of Sacramento Municipal Utility District (SMUD), raising state backed bonds and utilizing these proceeds for transmission projects will lower the effective cost of debt for building out transmission infrastructure. Should the transmission program receive a superior standalone credit rating compared to the state, as is the case with the IBank's ISRF program (S&P

Rating: AAA, Outlook: Stable) then even further rate payer savings can materialize due to raising funds at even lower costs of capital.

	<b>State of California</b>	<b>PG&amp;E</b>	<b>SCE</b>	<b>SDG&amp;E</b>	<b>LADWP</b>	<b>SMUD</b>
S&P	AA- /stable	BB/ positive	BBB- / negative	BBB+ / stable	A / negative	AA/ negative
Fitch	AA /stable	BB+ / stable	BBB / negative	BBB+ / stable	AA- / negative	AA/ stable

Cost recovery from rate payers is reduced if transmission capital is raised from state backed bonds and lent to projects rather than utility companies raising funds with their balance sheet.

The following positions would be supported by CTARF:

Staff Positions

New positions supported by the CTARF include:

- Attorney III
- Assistant Deputy Director (C.E.A Level A)
- Loan Officer Specialist (x2)
- Analyst II (x3)

The staff requested will lead IBank's efforts to coordinate with the Transmission Infrastructure Accelerator, CEC, CPUC, and CAISO. They will engage with and direct external, non-staff resources to support the program. They will also conduct underwriting due diligence, loan closing, loan servicing, compliance, and reporting.

The responsibilities of each requested position include:

**1. Attorney III**

- Responsible for the legal work of the CTARF program and support other IBank units as applicable.
- Participate in structuring and implementing new financing programs, including CTARF.
- Assist in the development of program requirements and parameters, including security and underwriting provisions.
- Participate in the development of financing documents for new programs, including credit agreements, revolving credit facilities, guarantees, debt instruments, security instruments, and indemnities.
- Assist in all phases of structuring, documenting, and negotiating financings for new IBank programs. Provides advice to program staff related to all aspects of new IBank financing programs.
- Monitor certain aspects of CTARF Program to comply with tax law requirements.
- Research and analyzes complex, often first-impression, legal issues related to the Bergeson-Peace Infrastructure and Economic Development Bank Act and other laws, regulations and guidelines applicable to IBank's CTARF financing transactions and other programs.
- Analyze legislation relating to IBank's CTARF program and other units as applicable.
- Conduct research and interact with the Attorney General's Office on any litigation relating to IBank or impacting its interests.

**Workload Table – Attorney III**

<b>Workload Measure</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>	<b>2030-31</b>
New Program Structuring and Implementation	400	200	200	200	200
Loan Documentation	500	500	500	500	500
Legal Review of Loan Financing Documents	400	500	500	500	500
Legal Review of Bond Financing Documents	400	200	200	200	200
Legal Research and Analysis	100	200	200	200	200
Legislative Affairs	100	200	200	200	200
Other	100	200	200	200	200
<b>Total Hours</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>

## 2. Assistant Deputy Director (C.E.A. Level A)

- Responsible for managing all CTARF Program credit underwriting and related servicing activities.
- Create and manage the development of the structure, guidance, policy formulation, procedures, and direction, and coordinating CTARF with the Transmission Infrastructure Accelerator.
- Supervise and direct all aspects of the loan application review process, underwriting/credit and financial analysis, processing of each CTARF loan request and preparation of staff reports.
- Develop and maintain a high level of expertise in transmission finance. Prepare required annual reports for the Governor's Office, Legislature, GO-Biz, and other stakeholders. Develop CTARF policies, procedures, directives, business processes for approval by the Executive Committee and/or IBank Board.
- Supervise the financing staff, including credit underwriting, review, origination, and servicing.
- Direct technical assistance efforts, including oversight of external consultants. Direct all aspects of more complex credit transactions.
- Assist in the issuance of Bonds, which fund IBank's CTARF program, including the collection and presentation of data to executive management. Lead other loan servicing related and management activities and special projects. Prepare ad-hoc reports assigned by the Executive team.
- Maintain frequent contact with heads of other IBank units. Communicate with staff at IBank, GO-Biz, the Administration, CEC, CPUC, CAISO, applicants, borrowers, local and federal government staff and elected officials, public finance professionals, external auditors, and others.

**Workload Table – Assistant Deputy Director**

<b>Workload Measure</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>	<b>2030-31</b>
Supervise and Direct Loan Process	700	700	700	700	700
Complex Underwriting and Consultant Oversight	400	400	400	400	400
Workflow Supervision and Record Keeping	400	400	400	400	400
Bond Issuance	300	200	200	200	200
Liaison with Other Agencies and Stakeholders	200	300	300	300	300
<b>Total Hours</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>

**3. Loan Officer Specialist (x2)**

- Independently review, analyze, and process complex loan requests submitted from a variety of types of transmission developers and stakeholders, including state and local governmental entities, private enterprises, and large electrical corporations, to determine if the applicant and project meet minimum program eligibility criteria, priorities and guidelines, and if the financing request is creditworthy.
- Advise prospective applicants of financing criteria. Recommend finance structuring and provide information regarding the availability and appropriateness of other funding sources (if applicable). Work with Assistant Deputy Director to determine project feasibility and the ability to meet CTARF criteria, priorities, and guidelines.
- Work with the Assistant Deputy Director to serve in a business development role, conduct market research, identify and pursue strategic opportunities, build and cultivate successful partnerships and relationships with existing borrowers, prospects, applicants, consultants, and other state agencies, to develop program pipelines. Conduct site visits as necessary. Prepare detailed written reports recommending approval or denial of loan requests.
- Assist in the issuance of IBank bonds that fund the CTARF program, including the collection and presentation of data.
- Independently perform loan servicing functions, including but not limited to annual surveillance and budget reviews, assistance with loan closings, processing of disbursement requests, and compliance and/or other servicing tasks.
- Serve as a project specialist for IBank's issuance of bonds as it relates to the CTARF program. Work with Bond Unit staff and outside parties to determine completeness and appropriateness of financing requests and successfully complete the sale of bonds in compliance with Federal and State securities laws and regulations.

**Workload Table – Loan Officer Specialist (x2)**

<b>Workload Measure</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>	<b>2030-31</b>
Credit Analysis, Underwriting, and Support	1,000	1,000	1,000	1,000	1,000
Loan Servicing	500	500	500	500	500
Bond Issuance	400	200	200	200	200
Other (Compliance, Consultant Oversight, Legislative, Ad Hoc)	100	300	300	300	300
<b>Total Hours</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>

#### 4. Analyst II (x3)

- Review and analyze applications and project documents for financing from private and public parties, including determining project eligibility under CTARF requirements, reviewing external consultant and technical assistance reports, and reviewing information from Transmission Infrastructure Accelerator, CEC, CPUC, and CAISO.
- Prepare detailed written staff reports making recommendations to IBank Management, Credit Committee, and Board of Directors, to approve or decline the financing request.
- Perform oversight and follow-up of transmission financing agreements. Conduct post-financing monitoring activities. Maintain files, correspondence, account balances, and other information associated with transmission finance agreements issued by IBank.
- Monitor compliance with disclosure requirements. Prepare and submit evaluations of any loan performance issues post-investment.
- Conduct program analysis and prepare statistical, ad hoc and anecdotal reports. Track and analyze pending and approved legislation that relates to transmission finance.

**Workload Table – Analyst II (x3)**

<b>Workload Measure</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>	<b>2030-31</b>
Project Review and Analysis	1,000	1,000	1,000	1,000	1,000
Program Administration	700	700	700	700	700
Compliance and Reporting	200	200	200	200	200
Other (Consultant Oversight, Ad Hoc)	100	100	100	100	100
<b>Total Hours</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>

#### Non-Staff Expenses

Non-staff expenses include and total \$11 million over a five-year period.

- Legal counsel (\$2.58 million over five years)
- Municipal advisor (\$1.15 million over five years)
- Consultants (\$6.34 million over five years)
- Operating Expenses (\$1 million over five years)

**Legal counsel:** While IBank staff will be primarily engaged in transaction advisory, there is a need for additional support from outside legal counsel. Legal counsel will be engaged to assist with bond financing and to provide support for transaction advisory, including deal structure, contracts, and other areas in coordination with IBank legal staff. Transmission transactions require substantial involvement from specialized legal counsel. In addition, transmission lines often cross numerous jurisdictions, which requires a detailed understanding of any legal issues that may arise. IBank has conducted preliminary market research into legal costs for the size and scope of the CTARF program. This would break down to \$1.5 million in 2026-27, \$250,000 in 2027-28, \$262,000 in 2028-29, \$275,000 in 2029-30, and \$289,000 in 2030-31, totaling \$2.58 million.

**Municipal advisor:** Since CTARF is designed to operate as a pooled loan program within an area with substantial regulatory and tax considerations, IBank requires the assistance of a municipal advisor as it pertains to structuring the program and related bond financing. This would break down to \$750,000 in 2026-27, \$100,000 in 2027-28, \$100,000 in 2028-29, \$100,000 in 2029-30, and \$100,000 in 2030-31, totaling \$1.15 million across five years.

**Consultants:** IBank will need to engage with consultants for technical assistance and to provide support for due diligence that will inform IBank's underwriting process. They will also be used to aid in compliance needs and required reporting. A separate IBank program had a similar scope and complexity to what CTARF entails. Using bids that IBank received earlier this fiscal year on that separate program gives a representative estimate of what consulting fees will cost under CTARF. This would break down to \$2.07 million in 2026-27, \$1.36 million in 2027-28, \$1.43 million in 2028-29, \$716,000 in 2029-30, and \$742,000 in 2030-31, totaling \$6.34 million over five years.

**Operating Expenses:** IBank has built in an estimated contingency cost for each year (10 percent of non-staff expenses) which breaks down to \$432,000 in 2026-27, \$171,000 in 2027-28, \$179,000 in 2028-29, \$109,000 in 2029-30, and \$114,000 in 2030-31, totaling \$1 million over five years.

### ***Transmission Infrastructure Accelerator within the GO-Biz Energy Unit***

Currently, load-serving entities (LSEs) are reporting a total of 120 GWs under contract from now until 2028. This represents hundreds of renewable energy projects that will be built over the next three years in cities and counties across the state. The current staffing capacity of the GO-Biz Energy Unit is dedicated to assisting developers with their projects, engaging with local, state, and federal stakeholders to advance critical infrastructure projects, tracking federal funding for these types of projects, as well as developing and refining tools and metrics to track work progress. Moreover, the current staff is either working on, or providing support, to other statutorily required projects such as the Clean Energy Permitting Playbook and Toolkit (Chapter 38, Statutes of 2023), Clean Energy Assessment Report (Chapter 336, Statutes of 2023), as well as the Governor's Executive Order N-33-25.

SB 254 assigns the Energy Unit with new responsibilities in the areas of transmission and financing. The complexities of transmission development – regulated by the Federal Energy Regulatory Commission and the CAISO – and financing of large infrastructure projects require expertise which the Energy Unit does not currently have. In order for TIA to be set up to operate successfully within the existing regulatory and interrelated structures, carry out its responsibilities and meet core objectives of 'minimizing duplicative efforts, driving efficiencies in state transmission development efforts, and maximizing effectiveness,' funding is needed. The GO-Biz Energy Unit would be supported by \$4.2 million from the CTARF, and three limited-term positions from FY 26/27 to FY 29/30, to establish the Transmission Infrastructure Accelerator.

### **Outside Consultants**

External support would help the Energy Unit to:

- Develop a strategy/plan to facilitate public-private partnership financing opportunities for eligible transmission projects that will achieve ratepayer savings;
- Develop a framework for organizational structure for TIA; and
- Provide technical expertise to evaluate and assess that specified project criteria are met.

### **Regulatory/Legal Advisor**

The electric power industry is highly regulated and complex. A regulatory/legal expert would:

- advise on federal, state and local rules related to transmission;
- provide consultation and review of potential public-private partnership strategies;
- research and stay abreast of policy issues and changes; and
- make strategy recommendations to effectuate project development.

### **Supervisor I**

At the direction of the Deputy Director, the Supervisor I would:

- Manage the contractor, oversee the work progress, manage the delivery of the final work product as well as assist with the implementation of any work that would be needed in furtherance of the plan;
- Work with the Energy Unit Deputy Director to develop and implement a TIA workplan;
- Manage engagement with key stakeholders including private and public entities;
- Liaise with the coordinating entities of the TIA and organize meetings; and
- Develop methods and tools to track eligible transmission projects and monitor project performance.

### **Analyst II**

At the direction of the Deputy Director and in coordination with the Supervisor I, the Analyst II would:

- Support the coordination of the state activities related to transmission planning and development;
- Assist with the implementation with the TIA workplan;
- Perform project-specific research and analysis related to transmission planning, development and financing;
- Track CAISO TPP process and projects eligible for competitive bid selection process;
- Monitor progress of transmission projects with financing from the Revolving Fund and coordinate project assistance requests and support engagement with external stakeholders;
- Monitor and analyze legislation related to transmission and/or relevant to the TIA;
- Collect, organize and disseminate news, reports, data and other information pertinent to TIA; and
- Perform light administrative work including scheduling meetings, processing invoices, event planning and coordinating travel.

### **C. Departmentwide and Statewide Considerations**

The establishment of the Transmission Infrastructure Accelerator and the California Transmission Accelerator Revolving Fund will contribute to the state's climate goals while also ensuring ratepayers are not responsible for footing the bill.

According to the CEC, to achieve the targets set by Chapter 312, Statutes of 2018 of 100 percent clean electricity by 2045, the state must maintain a rapid pace of new resource development. This will require successful implementation of the California ISO recent transmission plans and interconnection queue reform, among other efforts, aimed at streamlining transmission development. Investment in new and upgraded transmission system infrastructure is also crucial for meeting reliability and policy objectives. This requires a focused effort to ensure the timely completion of transmission projects that vary widely in scale and complexity, from localized network upgrades to major new transmission lines. Although some transmission projects involve relatively simple upgrades to existing equipment, larger transmission projects require long lead times to permit and construct due to their scale, cost, impact, and complexity. These needed projects may benefit from the public financing structure offered in this recently passed legislation.

### **D. Outcomes and Accountability**

The requested funds would allow the Energy Unit to stand up the Transmission Infrastructure Accelerator as well as develop the required public-private partnership strategy and submit it to the Legislature by the July 2027 deadline. The new staff would be dedicated to performing the work necessary for developing a workplan, organizing the TIA and begin collaborating closely with the coordinating entities on state's activities related to transmission development by no later than December 2026.

Under SB 254, projects will be coordinated by the Transmission Infrastructure Accelerator at GO-Biz and in consultation with CEC, CPUC, CAISO, and IBank. Existing CPUC and CAISO resources demonstrate a base case estimate of \$8.3 billion of high-voltage (greater than 200 kV) projects. Lower voltage (<200 kV) projects add at least another \$650 million.

**TPP 25-26: Base Case (2035) Transmission Exceedances (>200kV)**

CAISO Zone	Project Name	Estimated Cost (\$ millions)
PG&E. North of Greater Bay	Collinsville-Tesla 500 kV line	2,852.00
PG&E. North of Greater Bay	Carberry-Round Mountain 230 kV line	180.00
PG&E. North of Greater Bay	Bellota-Weber 230 kV line	400.00
PG&E. Greater Bay	Windmaster Delta pumps 230 kV line	417.00
PG&E. Greater Bay	Birds Landing-Contra Costa 230 kV line	700.00
PG&E. Fresno	Borden-Story 230 kV line	50.00
SCE. North of Lugo	Control to Inyokern Area	329.00
SCE. Eastern	Eagle Mountain Constraint	1,182.00
East of Pisgah	Lugo-Victorville Area	2,165.00
		<b>Total \$8,275.00</b>

The projects listed in table above are based on CPUC's Integrated Resource Planning, with transmission capability information provided by CAISO. This CPUC Resource Planning report can be provided upon request. These projects will contribute to 25,764 MW of transmission capability increases. This represents the anticipated base-case expansion of transmission infrastructure. There likely will be additional demand for transmission finance from grid hardening and wildfire mitigation efforts that may not be reflected in the figures above. When CPUC and CAISO update the Transmission Planning Process, additional projects will likely become eligible for financing.

Additionally, IBank will also meet bond accountability measures specified in Proposition 4, with information provided to appropriate control agencies such as the State Treasurer and Department of Finance.

**E. Implementation Plan**

*IBank – California Transmission Accelerator Revolving Fund*

IBank's Implementation Plan commences in FY 2026-27 as the first budget year for CTARF. From FY 2026-27 until the program authorization expires (currently January 1, 2031), IBank will:

1. Hire FTE positions.
2. Retain outside counsel for transaction support and other legal requirements.
3. Retain external consultants for market research, due diligence support, and ongoing reporting to legislature.
4. Retain external technical assistance relating to engineering, technologies, permitting processes, and other needs as necessary.
5. Commence consultation with Transmission Infrastructure Accelerator, and as appropriate with CEC, CPUC, and CAISO, to identify and prioritize eligible projects.
6. Raise additional capital via bond markets.
7. Receive applications and commence due diligence on eligible transmission projects. CPUC currently forecasts nine capital projects for transmission exceedance or overload mitigation; it

is expected to take approximately 10-12 months to publicly announce preferred bidders. IBank anticipates several other applications for grid hardening and wildfire mitigation projects. IBank will approve applications based on financial viability.

8. Present approved applications to IBank Board of Directors for approval, followed by closing approved transactions.
9. Conduct ongoing servicing, monitoring, and reporting. This includes reporting on projects financed under an Accelerator Financing Plan, such plan to be developed in consultation with the Transmission Infrastructure Accelerator.

#### Energy Unit – Transmission Infrastructure Accelerator

##### July 2026 – December 2026

- Immediately begin work to bring on the outside consultant to develop the public-partnership financing and development strategy/plan and framework for organizational structure.
- Prepare the appropriate HR paperwork to post and hire for the requested positions.
- Develop TIA workplan with coordinating entities.

##### January 2027 – July 2027

- Continue engagement with external stakeholders and interested parties to develop list of interested participating public entities.
- Deliver public-private partnership strategy/plan to the Legislature.

#### **F. Supplemental Information (If Applicable)**

The following report can be provided upon request:

CPUC 2025-2026 Transmission Planning Process Unified Planning Assumptions and Study Plan, Table 3.3-3 CPUC's assessment of 2035 base portfolio transmission capability exceedances.

# BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: Energy Modernization and Affordability (SB 254)

BR Name: 0509-046-BCP-2026-GB

Budget Request Summary

## Personal Services

Personal Services	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Positions - Temporary	0.0	10.0	10.0	10.0	10.0	10.0
<b>Total Positions</b>	<b>0.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>
Salaries and Wages Earnings - Temporary Help	0	1,160	1,160	1,160	1,160	1,160
<b>Total Salaries and Wages</b>	<b>\$0</b>	<b>\$1,160</b>	<b>\$1,160</b>	<b>\$1,160</b>	<b>\$1,160</b>	<b>\$1,160</b>
Total Staff Benefits	0	656	656	656	656	656
<b>Total Personal Services</b>	<b>\$0</b>	<b>\$1,816</b>	<b>\$1,816</b>	<b>\$1,816</b>	<b>\$1,816</b>	<b>\$1,816</b>

## Operating Expenses and Equipment

Operating Expenses and Equipment	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5301 - General Expense	0	290	290	290	290	290
5340 - Consulting and Professional Services - External	0	5,714	2,364	2,364	2,364	2,364
54XX - Special Items of Expense	0	322,563	0	0	0	0
<b>Total Operating Expenses and Equipment</b>	<b>\$0</b>	<b>\$328,567</b>	<b>\$2,654</b>	<b>\$2,654</b>	<b>\$2,654</b>	<b>\$2,654</b>

## Total Budget Request

Total Budget Request	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
<b>Total Budget Request</b>	<b>\$0</b>	<b>\$330,383</b>	<b>\$4,470</b>	<b>\$4,470</b>	<b>\$4,470</b>	<b>\$4,470</b>

## Fund Summary

### Fund Source

Fund Source	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
State Operations - 9757 - California Transmission Accelerator Revolving Fund	0	7,820	4,470	4,470	4,470	4,470
<b>Total State Operations Expenditures</b>	<b>\$0</b>	<b>\$7,820</b>	<b>\$4,470</b>	<b>\$4,470</b>	<b>\$4,470</b>	<b>\$4,470</b>
Local Assistance - 6093 - Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Fund	0	322,563	0	0	0	0
<b>Total Local Assistance Expenditures</b>	<b>\$0</b>	<b>\$322,563</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total All Funds</b>	<b>\$0</b>	<b>\$330,383</b>	<b>\$4,470</b>	<b>\$4,470</b>	<b>\$4,470</b>	<b>\$4,470</b>

## Program Summary

### Program Funding

Program Funding	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
0220 - Go-Biz	0	4,175	825	825	825	825
0235028 - California Infrastructure and Economic Development Bank	0	326,208	3,645	3,645	3,645	3,645
<b>Total All Programs</b>	<b>\$0</b>	<b>\$330,383</b>	<b>\$4,470</b>	<b>\$4,470</b>	<b>\$4,470</b>	<b>\$4,470</b>

## Personal Services Details

### Positions

Positions	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
4800 - Supervisor I	0.0	1.0	1.0	1.0	1.0	1.0
5393 - Analyst II	0.0	4.0	4.0	4.0	4.0	4.0
5795 - Attorney III	0.0	1.0	1.0	1.0	1.0	1.0
7481 - Staff Loan Officer (Spec)	0.0	2.0	2.0	2.0	2.0	2.0
7500 - C.E.A.	0.0	2.0	2.0	2.0	2.0	2.0
<b>Total Positions</b>	<b>0.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>

### Salaries and Wages

Salaries and Wages	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
4800 - Supervisor I	0	97	97	97	97	97
5393 - Analyst II	0	329	329	329	329	329
5795 - Attorney III	0	159	159	159	159	159
7481 - Staff Loan Officer (Spec)	0	190	190	190	190	190
7500 - C.E.A.	0	385	385	385	385	385
<b>Total Salaries and Wages</b>	<b>\$0</b>	<b>\$1,160</b>	<b>\$1,160</b>	<b>\$1,160</b>	<b>\$1,160</b>	<b>\$1,160</b>

### Staff Benefits

Staff Benefits	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5150450 - Medicare Taxation	0	34	34	34	34	34
5150500 - OASDI	0	54	54	54	54	54
5150900 - Staff Benefits - Other	0	568	568	568	568	568
<b>Total Staff Benefits</b>	<b>\$0</b>	<b>\$656</b>	<b>\$656</b>	<b>\$656</b>	<b>\$656</b>	<b>\$656</b>

### Total Personal Services

Total Personal Services	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
<b>Total Personal Services</b>	<b>\$0</b>	<b>\$1,816</b>	<b>\$1,816</b>	<b>\$1,816</b>	<b>\$1,816</b>	<b>\$1,816</b>